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Press Release

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SETTLEMENT OFFERS RATEPAYERS A FURTHER NATURAL GAS RATE REDUCTION

SALT LAKE CITY, UT – The Utah Division of Public Utilities (DPU), the Utah Committee of Consumer Services (Committee), Questar Gas Company and five other interested parties who represent Questar Gas customers have reached a settlement that, if approved by the Public Service Commission of Utah, will reduce natural gas rates by \$9.7 million, effective June 1, 2006. This reduction, in addition to the \$38.6 million reduction announced in April and the \$93.7 million reduction announced in February of this year, means the typical residential customer's natural gas bill will be reduced by approximately \$150 annually.

This latest rate-reduction stipulation resulted from many months of settlement discussions. On December 16, 2005, Questar Gas Company, the Utah Division of Public Utilities, and Utah Clean Energy (collectively, Joint Applicants) requested approval of tariff changes that would implement a Conservation Enabling Tariff (or CET) Pilot Program. The Pilot Program would include a voluntary rate reduction in the non-gas portion of customers' rates. The Joint Applicants believed this would help reduce customers' bills during last winter's heating season.

"The Committee pushed for a rate decrease but believed, from the perspective of residential and small business customers, a CET that encompasses a full sales and revenue decoupling would not benefit ratepayers," said Committee Chair Dee Jay Hammon.

After many months of discussions, the parties agreed upon an immediate rate decrease separate from the issue of whether a sales and revenue decoupling mechanism was in ratepayers' best interests. Therefore, it was agreed that the Commission should hear the CET Pilot Program—separate from the rate reduction—at hearings scheduled to begin June 26, 2006.

"This took a lot of hard work by the parties to the settlement, and we appreciate the Committee's efforts. We look forward to continuing to explore ways to encourage conservation of natural gas," said Constance White, Division Director.

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